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Advisory Council on the Environment

Comments on the arrangements to cater for new supply sources for the future electricity market in Hong Kong

The Advisory Council on the Environment discussed the Consultation Paper on Future Development of the Electricity Market in Hong Kong – Stage II Consultation in March 2006. The Council's views relevant to the arrangements to cater for new supply sources for the future electricity market in Hong Kong are highlighted below –

- (a) the Council was very supportive of facilitating the use and further development of renewable energy for electricity generation;
- (b) in considering importing energy from the Mainland, it would be important to ensure that the same environmental standards would be adopted for imported energy to avoid aggravating the pollution problem in the region. This was also important to ensure a level playing field for suppliers;
- (c) in addition to reliability, safety and efficiency of electricity supply, the Council was concerned about how the future regulatory regime could help improve the environment, in particular air quality, as there was a close relationship between power generation and air quality;
- (d) the Council was supportive of the principle that the proposed rate of return should be performance-based which could help drive the power companies to minimize environmental impacts caused by electricity generation; and
- (e) the Council urged the Government to pursue a long-term sustainable strategy and roadmap for the electricity market through various means, such as demand side management, energy fuel mix, rate of return, enhancement of energy efficiency and public education, to achieve minimal environmental impact.